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MENDOCINO COUNTY AIR QUALITY MANAGEMENT DISTRICT

July 30, 2010

Mr. Jared Blumenfeld, Regional Administrator Environmental Protection Agency, Region IX 75 Hawthorne Street San Francisco, CA 94105

Subject:

Implementation of Greenhouse Gas Tailoring Rule for PSD and Title V and

Additional PSD Amendments

Dear Mr. Blumenfeld:

This letter is being submitted pursuant to the notification request in EPA's recently promulgated "Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule" (Tailoring Rule) under 75 FR 31514, Sections IV.C and V.C.5. In addition, the District recently received a verbal request from ARB for the District to amend its PSD regulations to address an issue related to the PSD Transport SIP.

The Mendocino County Air Quality Management District currently implements PSD permitting requirements through District Regulation 1, Rule 1-220, which has been approved into the State Implementation Plan (SIP). The District also implements an approved Part 70 permit program (Title V), these requirements are codified in District Regulation 5, last amended in 2000.

The District currently has no sources subject to CAA Title V, receives no permit fees from Federal Sources, and does not receive any funding from EPA to support the District's work related to the CAA. This lack of Federal funding to implement the Federal Program mandates is of serious concern of the District. The District is hopeful that EPA Region 9 staff can find a workable method to ensure that CAA Section 105 funding is available to those Districts with Federal mandates, but lacking any income to offset program costs.

Despite funding issues, the District intends to continue to implement a SIP-approved PSD Program, and an approved Title V Program, for all subject sources and air pollutants, including sources which EPA defines as major sources of greenhouse gases (GHGs). In order to accomplish this, the District is developing a separate prohibitory rule that will (1) establish major source thresholds for GHGs consistent with the Tailoring Rule; (2) limit 'potential to emit' consistent with the procedures and principles developed with EPA for Title V sources of other regulated air pollutants; and (3) establish monitoring, recordkeeping, reporting, enforcement, and other administrative requirements. The District hopes to work cooperatively with the other Air Districts in the North Coast Air Basin to develop this regulation.

The District plans to adopt the updated regulations before the end of 2010, and will request that EPA delegate any necessary authorities to implement the requirements of the Tailoring Rule until such time as the District's new rule is approved into the SIP.

Please feel free to contact me at 707-463-4354 with any questions.

Sincerely,

Christopher D. Brown AICP Air Pollution Control Officer

CC: MCAQMD Board

Deborah Jordan, Director of Air and Toxics Division, EPA Region IX

James Goldstene, Executive Officer, California Air Resources Board

Mat Ehrhardt, President, California Air Pollution Control Officers Association

Smaug Shared Admin PDS-SIP Letter to EPA 8-2-10